

SENATE BILL 65 of the First Extraordinary Session
By Williams

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, relative to sales and use tax.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. (a) Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by deleting the part in its entirety.

(b) Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following new section:

Section ___. There is exempt from the tax levied by this chapter any sale or use that would otherwise be taxable pursuant to the provisions of this chapter but which would impose a tax that is invalid either under the commerce clause or the due process clause of the Constitution of the United States.

SECTION 2. Tennessee Code Annotated, Section 67-6-102, is amended by deleting subdivision (2) in its entirety and substituting instead the following:

(2) "Business" includes any activity engaged in by any person, or caused to be engaged in by such person, with the object of gain, benefit, or advantage, either direct or indirect. "Business" does not include occasional and isolated sales or transactions by a person not regularly engaged in business, or the occasional and isolated sale at retail or use of services sold by or purchased from a person not regularly engaged in business as a vendor of taxable services, or from one who is such a vendor but is not normally a vendor with respect to the services sold or purchased in such occasional or isolated

transaction. "Business" includes occasional and isolated sales or transactions of aircraft, vessels, or motor vehicles between corporations and their members or stockholders and also includes such transactions caused by the merger, consolidation, or reorganization of corporations. "Business" also includes occasional and isolated sales or transactions of aircraft, vessels, or motor vehicles between partnerships and the partners thereof and transfers between separate partnerships. Transfers caused by the dissolution of a partnership due solely to a partner, in a partnership composed of three (3) or more persons, voluntarily ceasing to be associated in the carrying on of business of the partnership, as provided in § 61-1-128, is not included in "business." "Business" shall be construed to include occasional and isolated sales or transactions by such a person involving aircraft, vessels or motor vehicles (which terms include trailers and special motor equipment sold in conjunction therewith), as defined by and required to be registered under the laws of Tennessee with an agency of this state or under the laws of the United States with an agency of the federal government, unless such sales or transactions are otherwise exempt under this chapter or are sales between persons who are: married, lineal relatives or spouses of lineal relatives, or siblings. Such sales or transactions involving aircraft based in this state shall be presumed to be made and taxable in this state; and any registration reflecting such aircraft which are so based shall constitute evidence thereof;

SECTION 2. Tennessee Code Annotated, Section 67-6-102(9), is amended by deleting from the first sentence the language "the retail price of which, for any such single article, exceeds two hundred fifty dollars (\$250)," and by deleting from the fourth sentence the language ", the retail price of which exceeds two hundred fifty dollars (\$250)".

SECTION 3. Tennessee Code Annotated, Section 67-6-102(13)(B), is amended by deleting the language ", the cost of which, for any such single article, exceeds one thousand dollars (\$1,000),"

SECTION 4. Tennessee Code Annotated, Section 67-6-102(24)(D), is amended by deleting the language "and each sale is in excess of five hundred dollars (\$500)" and the language "for sales in excess of five hundred dollars (\$500)".

SECTION 5. Tennessee Code Annotated, Section 67-6-206, is amended by deleting the section in its entirety.

SECTION 6. Tennessee Code Annotated, Section 67-6-207, is amended by deleting the section in its entirety.

SECTION 7. Tennessee Code Annotated, Section 67-6-209(a), is amended by placing a period after the words "deductions whatsoever" and by deleting the remainder of the sentence.

SECTION 8. Tennessee Code Annotated, Section 67-6-209, is further amended by deleting subsections (d), (e), (f) and (g) in their entirety.

SECTION 9. Tennessee Code Annotated, Section 67-6-216, is amended by deleting the section in its entirety.

SECTION 10. Tennessee Code Annotated, Section 67-6-217, is amended by deleting the section in its entirety.

SECTION 11. Tennessee Code Annotated, Section 67-6-218, is amended by deleting the section in its entirety.

SECTION 12. Tennessee Code Annotated, Section 67-6-219, is amended by deleting the section in its entirety.

SECTION 13. Tennessee Code Annotated, Section 67-6-224, is amended by deleting the section in its entirety.

SECTION 14. Tennessee Code Annotated, Section 67-6-225(b), is amended by deleting the subsection in its entirety.

SECTION 15. This act shall take effect upon becoming a law, the public welfare requiring it.

